IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

My Health, Inc., Plaintiff v. Fit4D, Inc. Defendant.	CASE NO. 2:16-cv-01344-RWS-RSP

MOTION TO DISMISS, OR ALTERNATIVELY TO TRANSFER, IN FAVOR OF FIRST-FILED DECLARATORY JUDGMENT ACTION

Defendant Fit4D, Inc. ("Fit4D") respectfully submits this motion to dismiss the Complaint filed by Plaintiff My Health, Inc. ("My Health") on December 1, 2016, or, in the alternative to transfer this case to the District of Delaware.

I. INTRODUCTION

This dispute arises from My Health's filing of a duplicative patent infringement suit nine days after being sued by Fit4D in Delaware in an action seeking a declaratory judgment of non-infringement and invalidity.

On November 22, 2016, Fit4D filed a declaratory judgment action seeking a declaration that its products do not infringe U.S. Patent No. 6,612,985 (the "'985 Patent") and that the '985 Patent is invalid. That case is entitled *Fit4D, Inc. v. My Health, Inc.,* Case No. 1:16-cv-01076 (the "Delaware Suit"). Fit4D sued My Health after receiving multiple letters and claim charts from My Health alleging that Fit4D infringes the '985 Patent.

Nine days later, My Health filed the Complaint that began this action, alleging that the ***same products*** presently at issue in the Delaware Suit infringe the ***same patent-in-suit*** in the

Delaware action. *See* Compl. (Dkt. No. 1) in *My Health, Inc. v. Fit4D, Inc.*, No. 2:16-cv-01344-RWS-RSP (the "Texas Suit").

Since 1824, the courts of the United States have recognized that, in an action involving the same parties and the same causes of action brought in multiple jurisdictions, a court should generally dismiss the complaint in the second-filed action or transfer the case to the first-filed jurisdiction. This common sense principle is intended to prevent duplicative and unnecessary litigation while preserving the plaintiff's right in the first-filed litigation to select its own forum. None of the narrow exceptions to this general rule are present here. Because there is no dispute that the Delaware Suit is the first-filed action, My Health's complaint should be dismissed. In the alternative, this Court should transfer this case to the District of Delaware.

Courts routinely dismiss a later-filed case or transfer a later-filed case to the jurisdiction where the first-filed complaint is being heard because doing so is in the interests of justice. Those interests of justice are particularly relevant where, as here, the plaintiff in the Texas Suit, My Health, is incorporated in Delaware where the first-filed lawsuit is pending. None of the remaining factors courts in this District consider in evaluating a motion to transfer weigh against transfer here.

If this Court holds that some justification for overriding the first-to-file rule exists, Fit4D respectfully requests that this Court delay its decision – as it did in *Sanofi-Aventis Deutschland GmbH v. Novo Nordisk, Inc.*, 614 F. Supp. 2d 772 (E.D. Tex. 2009) – to permit the court in the Delaware Suit to consider any motion to transfer filed by My Health. *See id.* at 782 (staying transfer to first-filed forum until that court resolved then-pending personal jurisdiction and licensing agreement issues that would allow the first-filed case to proceed). If My Health files no such motion, then this case should be dismissed in favor of the Delaware Suit or transferred to Delaware.

This case demonstrates precisely why the first-to-file rule is such a well-settled doctrine of American jurisprudence. My Health filed this copycat lawsuit only nine days after Fit4D filed suit in the District of Delaware. Dismissal or transfer of My Health's Texas Suit will promote the efficient use of judicial resources and guarantee consistency of judicial determinations on the identical issues presented by the first- and second-filed suits.

II. PROCEDURAL BACKGROUND

A. The Parties' Pre-Suit Communications

Fit4D is a technology platform that enables clinicians to educate patients on drug therapies, motivate better lifestyle choices, and provide the essential problem solving and emotional support required for people living with diabetes. On September 16, 2016, Patent Licensing Alliance ("PLA"), acting on behalf of My Health, sent a letter to Fit4D regarding the '985 patent that stated: "Your Fit4D employs the technology claimed and disclosed in United States Patent 6,612,985." Ex. A (Delaware Fit4D Complaint) at ¶ 9. PLA asserted that "[o]ur research group and legal team have thoroughly reviewed the Fit4D and believe that it utilizes the technology claimed and disclosed in the ['985 Patent]" and that "[t]he Patent requires a license if you intend to continue to sell these products." *Id.* at ¶ 10. PLA wrote that "Because of . . . ever increasing instances of improper use without a license, My Health has been enforcing its intellectual property rights." Further, My Health expressly reserved "the right to seek damages anytime within the last 6 years." *Id.* at ¶ 12. My Health attached a claim chart to the September 16 letter purporting to outline its contentions of Fit4D's alleged infringement. *Id.* at ¶ 11. On November 16, 2016, PLA, acting again on behalf of My Health, sent an additional "updated" claim chart to Fit4D that purported to supplement My Health's earlier contentions of Fit4D's alleged infringement. *Id.* at ¶ 13.

B. Fit4D's Declaratory Judgment Action and My Health's Later-Filed Action Asserting Infringement as to the Same Patent in the Delaware Action

Fit4D filed the Delaware Suit on November 22, 2016. Fit4D filed the Delaware Suit in Delaware, in part, because My Health is a Delaware corporation and regularly conducts business in Delaware. My Health filed the Texas Suit on December 1, 2016. Both actions arise out of the same operative facts, namely that Fit4D allegedly infringes the '985 Patent.

My Health filed its answer to Fit4D's Complaint in the Delaware Suit on January 17, 2017. Notably, even though My Health alleges in the Texas Suit that "Fit4D has no standing to bring the Delaware suit" and that "the Delaware suit fails on 12(b)(6) grounds for failure to state a claim, *see* Compl. (Dkt. No. 1) at ¶¶ 20-21, My Health has not filed a motion to dismiss or to transfer the Delaware action. Instead, My Health has admitted that the Delaware court has personal jurisdiction and that Delaware is an appropriate venue for Fit4D's first-filed declaratory judgment action. Ex. B (Delaware My Health Answer) at ¶¶ 6-7.

III. ARGUMENT

A. This Court Should Apply the First-to-File Rule And Dismiss My Health's Later-Filed Complaint

Nearly two hundred years ago, the Supreme Court announced the "first-to-file" rule, a doctrine intended to promote judicial efficiency and to avoid duplicative litigation. This rule requires that, "[i]n all cases of concurrent jurisdiction, the Court which first has possession of the subject must decide it." *Smith v. McIver*, 22 U.S. 532, 535 (1824). Since *McIver*, courts have recognized that a first-filed case should be given priority unless certain, narrowly-defined, special circumstances exist. Thus, when two actions are filed involving the same operative facts and issues, the interest in preserving judicial resources and avoiding inconsistent determinations dictates that only one action should go forward. *See Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U.S. 180, 183-84 (1952).

The first-to-file rule applies where the earlier filed case is a declaratory judgment action. "When the declaratory action can resolve the various legal relations in dispute and afford relief from the controversy that gave rise to the proceeding, and absent sound reason for a change of forum, a first-filed declaratory action is entitled to precedence as against a later-filed patent infringement action." *Genentech, Inc. v. Eli Lilly and Co.*, 998 F.2d 931, 938 (Fed. Cir. 1993), *overruled on other grounds*, *Wilton v. Seven Falls Co.*, 515 U.S. 277 (1995).[1] Indeed, as this Court has previously recognized, "[a]s a general rule, a first-filed declaratory judgment suit will be entitled to precedence over a later-filed patent infringement action." *Sanofi-Aventis Deutschland GmbH*, 614 F. Supp. 2d at 774–75 (citing *Genentech, Inc.*, 998 F.2d at 937 (the "first to file" rule "favors the forum of the first-filed action, whether or not it is a declaratory judgment action.")).

---

[1] While Federal Circuit law determines which case should proceed (*see Elecs. for Imaging, Inc. v. Coyle*, 394 F.3d 1341, 1345-46 (Fed. Cir. 2005)), here, there is little practical difference since both the Federal Circuit and the Fifth Circuit recognize that where two cases involve the same parties and the same underlying factual allegations, the first-filed action is entitled to precedence. *Compare, e.g., Genentech*, 998 F.2d at 938, *with Cadle Co. v. Whataburger of Alice, Inc.*, 174 F.3d 599, 603 (5th Cir. 1999) ("Under the first-to-file rule, when related cases are pending before two federal courts, the court in which the case was last filed may refuse to hear it if the issues raised by the cases substantially overlap"); *Dillard v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 961 F.2d 1148, 1161 n.28 (5th Cir. 1992) (pursuant to the "first-to-file" rule, the district court in which the later action was filed may dismiss, stay, or transfer the suit in order to avoid duplicative litigation); *W. Gulf Mar. Ass'n v. ILA Deep Sea Local 24*, 751 F.2d 721, 728-29 (5th Cir. 1985) ("[The] principle of comity requires federal district courts…to avoid the waste of duplication, to avoid rulings which may trench upon the authority of sister courts, and to avoid piecemeal resolution of issues that call for a uniform result.") (internal citations omitted); *see also Save Power Ltd. v. Syntek Fin. Corp.*, 121 F.3d 947, 950 (5th Cir. 1997) ("The Fifth Circuit adheres to the general rule that the court in which an action is first filed is the appropriate court to determine whether subsequently filed cases involving substantially similar issues should proceed.")

As courts in the Eastern District of Texas have explained, application of the first to-file rule involves a simple and straightforward analysis. In deciding whether to apply the "first to file" rule, courts will determine: (1) whether the actions are so duplicative, or involve such substantially similar issues, that one court should decide both actions; and (2) which court should hear the case. *Sanofi-Aventis Deutschland GmbH*, 614 F. Supp. 2d at 775; *Third Dimension Semiconductor, Inc. v. Fairchild Semiconductor Int'l, Inc.*, No. 6:08-cv-200, 2008 WL 4179234 at *1 (E.D. Tex. Sept. 4, 2008); *Datamize, Inc. v. Fidelity Brokerage Servs., LLC*, No. 2:03-cv-321-DF, 2004 WL 1683171 at *3 (E.D. Tex. Apr. 22, 2004); *see also*, *supra* n. 1 (collecting Fifth Circuit cases).

Here, the first-to-file rule applies because: (1) My Health's suit in the Texas Suit is duplicative of, and presents identical issues as, Fit4D's suit in the first-filed Delaware Suit; and (2) the District of Delaware is the appropriate forum for this case.

1. My Health's Later-Filed Texas Suit Is Identical to Fit4D's First-Filed Delaware Suit

The only real difference between the lawsuits is that Fit4D filed the Delaware Suit before My Health filed the Texas Suit, a fact My Health acknowledges in its complaint in the Texas Suit. *See* Compl. (Dkt. No. 1) at ¶ 18 ("On November 22, 2016, Fit4D filed suit against My Health in the District of Delaware . . . seeking a declaratory judgment regarding the applicability of the patent at issue in this suit based on what amounts to an affirmative defense in this suit."). Not only are the parties in the Delaware Suit and this case the same, the subject matter of the two suits is also identical because the same My Health patent and the same Fit4D products are at issue in both cases. *Compare* Ex. A at ¶ 10 (citing My Health's correspondence asserting that My Health's "legal team [has] thoroughly reviewed the Fit4D and believe[s] that it utilizes the technology claimed and disclosed in the '985 Patent") *with* Compl. (Dkt. No. 1) at ¶ 16, 32 (same).

2. No Special Circumstances Weigh Against Favoring the First-Filed Forum Here

None of the factors to which a trial court may look in determining whether to override the first-to-file rule exists here. In *Genentech*, the panel held that to override the first-to-file rule:

> There must . . . be sound reason that would make it unjust or inefficient to continue the first-filed action. Such reason may be the convenience and availability of witnesses, or absence of jurisdiction over all necessary or desirable parties, or the possibility of consolidation with related litigation, or considerations relating to the real party in interest.

998 F.2d at 938 (citations omitted); *accord Micron Tech., Inc. v. Mosaid Techs., Inc.*, 518 F.3d 897, 904 (Fed. Cir. 2008).

This Court should not override the first-to-file rule. The convenience of the parties and witnesses, as well as considerations of judicial efficiency, favor upholding Fit4D's choice of forum in Delaware. First, My Health is a Delaware corporation and is registered to do business in Delaware. Accordingly, Delaware is presumably a convenient district for My Health. Indeed, My Health has been involved in at least six prior patent infringement lawsuits in Delaware involving the '985 Patent. *See, e.g., Human Design Medical, LLC v. My Health, Inc.*, C.A. No. 1:16-CV-00767 (D. Del.); *Draeger Medical Systems, Inc. v. My Health, Inc.,* C.A. No. 1:15-CV-00248 (D. Del.); *Voxiva, Inc. v. My Health, Inc.*, C.A. No. 1:14-CV-00910 (D. Del.); *Authentidate Holding Corp. v. My Health, Inc.,* C.A. No. 1:13-CV-01616 (D. Del.); *Fitango, Inc. v. My Health, Inc.*, C.A. No. 1:14-CV-01085 (D. Del.); and *Allscripts Healthcare Solutions, Inc. v. My Health, Inc.*, C.A. No. 1:14-CV-01436 (D. Del.). Second, the District of Delaware will be able to maintain jurisdiction over all parties; My Health has even admitted that the Delaware court has personal jurisdiction over My Health and that Delaware is an appropriate venue for its patent infringement dispute with Fit4D. Ex. A at ¶¶ 6-7. Third, are no issues of justice or efficiency or considerations relating to the real party in interest that makes the Eastern District of Texas a preferable venue compared to the District of Delaware.

B. If the Court Declines to Apply the First-to-File Rule, It Should Stay Its Decision Until the First-Filed Forum Considers a Motion to Transfer

If the Court finds that the first-to-file rule does not apply to this case, Fit4D requests that the Court stay its decision until the Delaware court has an opportunity to consider any motion to transfer that My Health may file. *See Sanofi-Aventis Deutschland GmbH*, 614 F. Supp. 2d at 782. The parties cannot legitimately dispute that the Texas Suit and the Delaware Suit present substantially similar issues. Moreover, principles of comity dictate that the cases should not proceed in parallel. *See, e.g.*, *W. Gulf Mar. Ass'n*, 751 F.2d at 728-29.

Thus, if the Court is inclined to dismiss or transfer the Texas Suit under the first-to-file rule, it should stay any ruling on this motion until the Delaware court performs a full convenience transfer analysis under 28 U.S.C. § 1404(a). *Id.* (A district court may, "for the convenience of parties and witnesses" and "in the interest of justice," transfer a civil action to any other district where it may have been brought originally.). Both the Federal Circuit and the Fifth Circuit have stated that ordinarily, the first-filed forum should decide which district court may hear the case. *See, e.g., Micron Tech.*, 518 F.3d at 904 ("District courts, typically the ones where declaratory judgment actions are filed . . . will have to decide whether to keep the case or decline to hear it in favor of the other forum, most likely where the infringement action is filed."); *Save Power Ltd.*, 121 F.3d at 950 ("The Fifth Circuit adheres to the general rule that the court in which an action is first filed is the appropriate court to determine whether subsequently filed cases involving substantially similar issues should proceed."). To the extent My Health does not file a motion to transfer in the Delaware Suit within a reasonable period of time, and to date it has not filed any such motion, , then this case should be dismissed in favor of the Delaware Suit or transferred to Delaware.

Respectfully submitted,

Dated: January 26, 2017

By: */s/ Michael Strapp*

MICHAEL STRAPP
DLA PIPER LLP (US)
33 Arch Street, 26th Floor
Boston, MA 02110-1447
Tel: 617.406.6000
Fax: 617.406.6100

Dawn M. Jenkins
Texas Bar No. 24074484
dawn.jenkins@dlapiper.com
DLA PIPER LLP
1000 Louisiana Street, Suite 2800
Houston, TX 77002-5005
Tel. 713.425.8400
Fax. 713.425.8401

ATTORNEYS FOR DEFENDANT
FIT4D, INC.

CERTIFICATE OF CONFERENCE

This is to certify that counsel has complied with the meet-and-confer requirement in Local Rule CV–7(h), and this motion is opposed. On Jan. 17 and Jan. 19, 2017, counsel for Fit4D contacted counsel for My Health by email requesting a conference. On Jan. 25, counsel for Fit4D spoke to counsel for My Health by phone and requested a meet and confer on this motion. On Jan. 26, a personal conference was conducted telephonically between counsel for My Health, Joseph Pia, and counsel for Fit4D, Dawn Jenkins. Mr. Pia advised that My Health opposes the relief requested in this motion.

/s/ Dawn M. Jenkins
Dawn M. Jenkins

CERTIFICATE OF SERVICE

I hereby certify that all counsel of record who are deemed to have consented to electronic service are being served this 26th day of January, 2017, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail on this same date.

/s/Michael Strapp
Michael Strapp